

Subcommittee on Existing Sources of Revenue

August 10, 2007 8:00- 9:45 AM

5th Floor Conference Room

Council Office Building Rockville

Art Spengler
Robert Dunphy
Jennifer Barrett
David Platt
Shondell Foster
Jeff Zyontz

Requests from the Subcommittee:

1. Go through the packet handed out by Art to check for accuracies and determine if any additional details should be captured, or if the included data should be reflected differently.
2. Request an examination of the CIP for Transportation and Public Safety- focus on splitting the projects between maintenance, modernization, or renovation and projects for increased capacity.

This work is in progress at OMB. Results expected Friday August 17.

3. How much money does the state spend on transportation in the County [both capital and operating]? How much money from the Operating Budget is spent on local roads? (ex. cost per lane mile)

This information was requested from Maryland DOT. Although cost data is not readily available inventory and use data is available.

	Lane Miles (LM)	Annual Vehicle Miles Traveled (AVMT)	AVMT/LM
State Road	1,384	5.252 billion	3.79
County and Municipal Roads	5,538	2.263 billion	.41
Total County	6,921	7.515 billion	.92

State Roads are used 9 times more than “local” roads per lane mile.

4. What is the capacity of the debt service the County can increase and still keep the AAA bond rating- what is the number?

As of May 24, 2007 the total capacity for bonds within spending affordability (uncommitted in the next 6 years) was \$240,877,000. As one might expect, the amount available increases over time:

FY08 = \$15.2 million,
FY09 = \$16.6 million,
FY10 = \$19.6 million,
FY11 = \$ 72.5 million, and
FY12 = \$112.4 million.

5. How much are the user fees generating in revenue for RIDE ON? What is ridership for Metrorail access and for all other trips?

RIDE ON fare box will be \$13,073,230 in FY08.
Other sources of revenue include the following:

North Bethesda TMD	\$985,920
Call& Ride Same Day Access Rev.	\$756,800
Montgomery College U-Pass	\$550,000
State Aid	\$22,092,540
Property tax	\$87,399,460

The Department estimates that 80% of RIDE-ON begin or end their trip at a metro rail station. Most of those riders then take Metrorail but some will transfer to another bus.

6. Is raising property taxes on non-residential property only, legal?

Maryland's constitution requires uniformity between classes and sub-classes of property (Article 15). Sub-classes of property are defined in state law (Section 8-101(b) in the Property Tax Code). Non-residential property is not a defined sub-classification and therefore must be taxed in the same manner as residential property.

7. Do Northern Virginia local jurisdictions levy a local sales tax on gasoline?

The Northern Virginia Transportation Authority approved a package that includes new taxes on home sales, car repairs, hotels, rental cars and higher motor vehicle registration and inspection fees.

Fairfax County could become the first northern Virginia jurisdiction to use a provision in the state transportation package that allows localities to increase commercial real estate taxes to fund local projects.

The county's board of supervisors plans to vote next month on a proposal to raise the tax rate on retail, office and warehouse properties to pay for up to \$110 million a year in transportation improvements.

Virginia did not allow changes in the sales tax, income tax or gas tax.

8. How much is one cent on gas tax in Montgomery County?

Statewide, every 1 cent increase in the gas tax will raise \$30 million to \$35 million per year. Montgomery County might expect between \$5 million and \$5.8 million for every 1 cent increase (assuming Montgomery County's share is proportional to its resident population in the state and that the state passed through all funds).

Suggestions for Existing Revenue

1. Increase the gas tax
2. Excise tax- tax parking on both public and private spaces used during peak hours (6:30-9:00 AM) 6:00 to 10:00 AM
3. Increase the GO Bond to the 10% Spending Affordability limitations 10 percent of operating revenues

Increasing the total property tax rate by 4-5 cents and dedicating it to infrastructure was rejected as being too broadly based and not users based.

Matrix used to help get to the answer of who should pay?

Who Benefits determines who pays:

	Major Roads/Highways	Arterials	Primaries
Added Capacity			
Maintenance on Existing Roads			

Staff was direct to send the subcommittee information as it became available. The information will dictate the need for another subcommittee meeting before August 23.

Art will send staff an electronic copy of his handout.

Staff will make sure that the NEW Source Subcommittee is aware of the Existing Sources subcommittee's initial ideas.